

DEPARTMENT OF THE ARMY  
HEADQUARTERS, JOINT READINESS TRAINING CENTER & FORT POLK  
FORT POLK, LOUISIANA 71459

CIVILIAN PERSONNEL  
BULLETIN NO. 07-01

14 February 2001

**VOLUNTARY SEPARATION INCENTIVE PAY (VSIP)**  
**FOR MEDCOM EMPLOYEES**

1. **Purpose.** The purpose of this bulletin is to announce an opportunity for MEDCOM employees to apply for Voluntary Separation Incentive Payments (VSIP).
2. **Reason.** The Department of Defense is continuing to face drawdowns and contracting out studies. The identification of realignment opportunities for personnel within MEDDAC will assist management in avoiding potential involuntary reductions.
3. **Restrictions:**
  - a. Applications will only be accepted from individuals occupying the following grades: GS-08, 07, 06, 05, 04, 03, 02; WS-02, WL-05, WG-06, 05, 03, 02.
  - b. To enable MEDDAC to accomplish it's mission, employees approved for VSIP will receive this incentive payment only if willing to remain employed until a specific date that will be announced in the near future.
4. **Eligibility for VSIP.** Employees are eligible for VSIP provided they are (1) U.S. citizens, an exception exists for non U.S. citizens employed under the Panama Canal Employment System; (2) eligible for either optional retirement or resignation; (3) serving under an appointment without time limitation; and (4) have been continuously employed by the Federal Government for at least 12 months.
5. **Eligibility for Optional Retirement.**
  - a. **Civil Service Retirement System (CSRS).** Under the CSRS, employees may retire on an immediate annuity if the following requirements are met:

- (1) Be age 62 with 5 years of service;
- (2) Be age 60 with 20 years of service;
- (3) Be age 55 with 30 years of service.

b. **Federal Employees Retirement System.** Under FERS, employees may retire on an immediate annuity if the following requirements are met:

- (1) Be age 62 with 5 years of service;
- (2) Be age 60 with 20 years of service;
- (3) Be Minimum Retirement Age with 30 years of service.
- (4) Be Minimum Retirement Age (never less than 55), with 10 years of service (reduced annuity).

In order to assist eligible employees in their personal planning in this regard, employees desiring a retirement computation and/or retirement counseling should contact the Army Benefits Center (ABC) at 1-877-276-9287. Should you encounter any difficulties please contact Yvonne Johnson in the Civilian Personnel Advisory Center at 531-4881.

6. **Ineligibility.** The following categories of employees are ineligible to receive VSIP:

- Reemployed annuitants;
- Employees with a pending or approved application for disability retirement;
- Employees occupying "hard to fill" positions;
- Employees receiving a retention allowance;
- Employees covered by a written service agreement resulting from a permanent change of station (PCS), training, or receipt of a recruitment or relocation bonus.

7. **Amount of Payment.** The amount of the VSIP is the lesser of:

- (a) \$25,000, or

(b) An amount equal to the payment you would be entitled to receive under the severance pay formula; i.e., (1) one week's pay at the rate of basic pay received immediately before separation for each year of civilian service up to and including 10 years, and 2 weeks basic pay at the rate for each year of civilian service beyond 10 years, and (2) an age adjustment allowance for each year by which your age exceeds 40 years, at the time of separation. Incentive pay cannot exceed 1 year's salary at the rate of pay immediately preceding separation. VSIP is paid in a lump sum at the time of separation (less FICA/Medicare taxes, federal income tax withholding, and applicable state and local taxes).

(c) VSIP calculations will be prepared by the CPOC. Therefore, patience should be exercised in allowing our partners to provide this information.

8. **Application Window.** The window for the submission of an employee's application for VSIP is **20 February 2001** through **9 March 2001**. Applications received in the CPAC after **9 March 2001** will not be considered

9. **Not an Employee Entitlement.** It must be noted that VSIP is not an employee entitlement. Consequently, disapproval of an employee's request for VSIP is not a grievable matter and does not serve as a basis for a complaint.

10. **Approval Process.** The Director of the Civilian Personnel Advisory Center will assist in making decisions on the approval/disapproval of applications received. Management will project whether the position would be abolished following approval of VSIP, while the CPAC would determine if the position vacated through VSIP approval could be used for placement of an employee who might otherwise be separated. In addition, the CPAC will attempt to determine whether the vacated position might indirectly save an employee from separation through the projected "chain reaction" process of filling the vacated position, then filling behind that position, abolishing a subsequent vacancy, etc. The MEDDAC Commander may approve the incentive only if it is projected that an employee can be saved, or if a reduction-in-force can be avoided, or minimized by abolishing a vacated position. An individual management decision will be made on each application received, and each applicant will be notified regarding approval or disapproval of their application. If the number of eligible VSIP applicants exceeds the number of offers available, applications will be grouped by occupations and within each group, offers will be made in seniority order using the service computation date for

leave. Veteran's preference and tenure are not considered in this process

11. **Separation Agreements.** Employees who apply for VSIP must sign an agreement that the decision to resign or retire under these circumstances is entirely voluntary and that they agree to repay the incentive if they are reemployed by the Federal Government within 5 years of the date of the separation on which the VSIP is based. Moreover, a DOD employee who takes VSIP is not allowed by DOD policy to return to DOD or enter into a personal services contract for one year after separation, even if the employee repays the incentive, unless a waiver is granted by the Assistant Secretary of the Army. If an employee is selected to receive VSIP, these agreements will serve as an agreement to resign or retire not before a date to be announced at a later date. If employees are not selected to receive VSIP, they will not be bound by this commitment.

12. **Restrictions on Reemployment.** Employees who accept VSIP have restrictions placed on future employment with the Federal Government. An employee who accepts VSIP and accepts employment with the Federal Government for a period of 5 years after the date of separation must repay the entire amount of the incentive to the Department of the Army. **Moreover, a DOD employee who takes VSIP is not allowed by DOD policy to return to DOD or enter into a personal services contract for one year after separation, even if the employee repays the incentive, unless a waiver is granted by the Assistant Secretary of the Army.**

13. **Right of First Refusal.** This is an entitlement for employees who are adversely affected by contracting out and not for those who separate voluntarily. Only employees who are released from their competitive levels, and who are scheduled to be separated or demoted, or whose appointments are terminated prior to expiration dates are considered to be "adversely affected." Employees who take VSIP leave the work force of their own volition and become ineligible for right of first refusal.

14. **Application Procedures.** Employees who wish to be considered for VSIP must provide the following documents to the Civilian Personnel Advisory Center, ATTN: Sherri Collier, VSIP Program Coordinator, Building 413, Fort Polk, Louisiana, at the earliest possible date, but not later than 9 March 2001.

a. Application for Voluntary Separation Incentive. (Copy attached to this bulletin.

b. A copy of completed and signed retirement application (SF-2801 for CSRS employees) (SF-3107 for FERS employees).

c. A copy of a Request for Personnel Action (RPA) stating the conditions under which the employee is retiring or resigning to receive the VSIP.

(1) The RPA for retirees will include the following remarks:

"I meet the age and service requirement for optional retirement on \_\_\_\_\_ (DATE). My decision to retire is entirely voluntary and has not been coerced.

I understand that if I volunteer to separate from my current employment and receive a voluntary separation incentive payment, I am ineligible for the following: To return to DOD or enter into a personal services contract for one year after separation even if VSIP is repaid; Reemployment with the Federal Government for 5 years from the effective date of my retirement (unless I repay the entire amount of VSIP); registration in the DoD Priority Placement Program (PPP); severance pay (if otherwise eligible); Discontinued Service Retirement (if otherwise eligible) and Right of First Refusal.

If VSIP is approved, I understand that I must remain employed until the specific date that is announced or I will not receive the incentive payment.

If VSIP is not approved, I understand that I will be notified and that I will not be bound by my election to retire."

(2) The RPA for those resigning will include the following remarks:

"I hereby request to resign with voluntary separation incentive pay on \_\_\_\_\_. My decision to resign is entirely voluntary and has not been coerced."

I understand that if I volunteer to separate from my current employment and receive a voluntary separation incentive payment, I am ineligible for the following: To return to DOD or enter into a personal services contract for one year after separation even if VSIP is repaid; Reemployment with the Federal Government for five (5) years from the effective date of my resignation (unless I repay the

entire amount of VSIP); registration in the DoD Priority Placement Program (PPP); severance pay (if otherwise eligible); Discontinued Service Retirement (if otherwise eligible) and Right of First Refusal.

If VSIP is approved, I understand that I must remain employed until the specific date that is announced or I will not receive the incentive payment.

If VSIP is not approved, I understand that I will be notified and that I will not be bound by my election to resign."

15. Questions of any aspects of this program should be directed to any of your Personnel Advisors at 531-4020.

Attachments  
as

**//Original Signed//**  
DONALD R. MALLETT  
Director, Civilian Personnel  
Advisory Center

DISTRIBUTION  
One each MEDCOM Employees

**APPLICATION FOR VOLUNTARY SEPARATION INCENTIVE PAY**  
**(VSIP)**  
**FOR MEDCOM CIVILIAN EMPLOYEES**

**PURPOSE:** This form is to be used by MEDCOM employees to apply for voluntary optional retirement or resignation with Voluntary Separation Incentive Pay (VSIP).

**RESTRICTIONS:**

a. Applications will only be accepted from individuals occupying the following grades: GS-08, 07, 06, 05, 04, 03, 02; WS-02, WL-05, WG-06, 05, 03, 02.

b. To enable MEDDAC to accomplish it's mission, employees approved for VSIP will receive this incentive payment only if willing to remain employed until a specific date that will be announced in the near future.

**INSTRUCTIONS:** Complete items 1 through 5, sign, and date this application. Submit this completed form, along with a copy of completed retirement application (if retiring) and a copy of a completed Request for Personnel Actions (RPA) stating the conditions under which you are retiring or resigning to receive the VSIP. These documents must be submitted during the period **20 February 2001** through **9 March 2001**, to the Civilian Personnel Advisory Center, ATTN: Sherri Collier, VSIP Program Coordinator, Building 413, Fort Polk, Louisiana.

1. NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_

2. EMPLOYING LOCATION IN MEDCOM: \_\_\_\_\_

3. POSITION TITLE, PAY PLAN, AND GRADE: \_\_\_\_\_

4. I am voluntarily requesting VSIP. I intend to separate by:

\_\_\_\_\_ Resignation, if VSIP is approved),

\_\_\_\_\_ Optional Retirement, if VSIP is approved)

I will meet one of the following conditions  
on \_\_\_\_\_. (Please check one of the following.)

**DATE**

\_\_\_\_\_ Age 62 with 5 years of creditable service.  
\_\_\_\_\_ Age 60 with 20 years of creditable service.  
\_\_\_\_\_ Age 55 with 30 years of creditable service.  
\_\_\_\_\_ Federal Employees Retirement System (FERS) Minimum Retirement Age.  
\_\_\_\_\_ Other (Specify) \_\_\_\_\_.

5. Please check all that apply:

\_\_\_\_\_ I am a permanent employee.  
\_\_\_\_\_ I am a reemployed annuitant.  
\_\_\_\_\_ I am receiving a retention allowance.  
\_\_\_\_\_ I am covered by a written service agreement resulting from permanent change of station, training, or in receipt of a recruitment or relocation bonus.  
\_\_\_\_\_ I have a pending or approved application for disability retirement.

6. I understand that by accepting VSIP I become ineligible for the following:

- a. Being reemployed by DOD or entering into a personal services contract within one year after separation, even if I repay the entire incentive;
- b. Being reemployed with the Federal Government within five (5) years after the effective date of my resignation or retirement, unless I repay the entire amount of the VSIP;
- c. Registration in the Department of Defense Priority Placement Program;
- d. Severance Pay (if otherwise eligible); and
- e. Discontinued Service Retirement (if otherwise eligible).
- f. Right of First Refusal.

7. I understand that this is a request only and in no way is management obligated to approve it if, in so doing, the intended purpose of VSIP would not be met.

8. I understand that I may not grieve disapproval of my application for VSIP.



9. I understand and agree that if my application for VSIP is approved, I will receive this incentive payment only if willing to remain employed until a specific date that will be announced in the near future.

10. I understand that if my application for VSIP is NOT approved, the Request for Personnel Action (RPA) (requesting resignation or retirement) will be cancelled and I will remain employed.

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(Employee's Signature)

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(Date)